

Hearing Date: August 9, 2017 at 9:30 a.m.

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.<sup>1</sup>

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**LIMITED OBJECTION OF AMBAC ASSURANCE CORPORATION TO AD HOC  
PUERTO RICO MUNICIPALITIES COMMITTEE'S REQUEST FOR AN ORDER  
PURSUANT TO 48 U.S.C. § 2161 AND 11 U.S.C. § 1102 DIRECTING THE  
APPOINTMENT OF AN OFFICIAL PUERTO RICO MUNICIPALITIES COMMITTEE**

Ambac Assurance Corporation (“Ambac”), a holder and/or insurer of approximately \$2.7 billion of bonds issued by the Debtors and other Commonwealth instrumentalities, hereby submits this limited objection (the “Objection”) to the Ad Hoc Puerto Rico Municipalities Committee’s (the “Ad Hoc Municipalities”) Request for an Order Pursuant to 48 U.S.C. § 2161 and 11 U.S.C. § 1102 Directing the Appointment of an Official Puerto Rico Municipalities Committee (Dkt. No. 719, the “Appointment Motion”). In support of its Objection, Ambac respectfully submits as follows:

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284 (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686).

### **LIMITED OBJECTION**

1. Ambac takes no position as to whether the Ad Hoc Municipalities have established cause for appointing an official municipality committee in the Commonwealth's Title III case or whether municipalities may be appointed to an official committee. However, Ambac objects to the Appointment Motion to the extent it requests that such a committee be appointed in the case of any Debtor other than the Commonwealth.

2. While the Commonwealth and its municipalities may have connections sufficient to support the establishment of such an official committee, there has been no showing that such a relationship exists with respect to COFINA, or in fact that the municipalities are even parties-in-interest with respect to COFINA's Title III case. As such, to the extent the Court is inclined to order the appointment of a committee of municipalities, the Court should (i) not make any findings as to the standing of such a committee (or any municipality or ad hoc committee) to appear in COFINA's Title III case, and (ii) order the appointment of such committee solely in the Commonwealth's Title III case.

### **CONCLUSION**

For the reasons set forth herein, Ambac respectfully requests that the Court (i) deny the Appointment Motion unless the Court limits the scope of the relief as requested above, and (ii) grant such other and further relief as the Court deems appropriate.

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Dated: July 28, 2017  
San Juan, Puerto Rico

**FERRAIUOLI LLC**

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***Attorneys for Ambac Assurance Corporation***

**CERTIFICATE OF SERVICE**

I hereby certify that, on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all CM/ECF participants in this case.

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